

DAVID Y. IGE  
GOVERNOR

SHAN S. TSUTSUI  
LIEUTENANT GOVERNOR



LEONARD HOSHIJO  
ACTING DIRECTOR

DEPT. COMM. NO. 241

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STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
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December 28, 2017

The Honorable Ronald D Kouchi,  
President and Members of the Senate  
Twenty Ninth State Legislature  
State Capitol, Room 409  
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Twenty Ninth State Legislature  
State Capitol, Room 431  
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Department of Labor and Industrial Relations (DLIR) Boiler and Elevator Special Fund Report for the fiscal year ending June 30, 2017, as required by section 37-47, Hawaii Revised Statutes (HRS).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://labor.hawaii.gov/find-a-report/>.

Sincerely,

Leonard Hoshijo  
Acting Director

Enclosure

**BOILER AND ELEVATOR SPECIAL FUND REPORT**  
**TO THE 2018 LEGISLATURE**



State of Hawai'i  
Department of Labor and Industrial Relations

December 2017

**STATE OF HAWAI'I**  
**DAVID Y. IGE, Governor**

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**  
**LINDA CHU TAKAYAMA, Director**  
**LEONARD HOSHIJO, Deputy Director**

**OCCUPATIONAL SAFETY AND HEALTH DIVISION**  
**BOILER AND ELEVATOR BRANCH**  
**Norman Ahu, Administrator**  
**Julius Dacanay, Branch Manager**

## **I. INTRODUCTION**

Pursuant to Act 103, Session Laws of Hawai'i 2012, the Director of the Department of Labor and Industrial Relations (DLIR), "... shall submit a report to the legislature on the status of the boiler and elevator special fund, including expenditures and program results, not less than twenty days prior to the convening of each regular session."

## **II. PURPOSE**

Act 103 established the boiler and elevator special fund, changed the means of financing to special funding, and provided a mechanism for self-sustainability for the Boiler and Elevator Branch (Branch) of the Occupational Safety and Health Division (HIOSH). In passing Act 103, the Legislature recognized that the boiler and elevator inspection program staffing and budget had suffered from across-the-board cuts and neglect that had rendered it ineffective and a hindrance to economic revitalization, and most importantly, a threat to public safety.

Act 103's self-sustainability mechanism operates by assessing fees, which supports the operations of the Branch. Act 103's self-sustainability mechanism also provides a means for the program to hire and retain qualified personnel and carry out the inspection and permitting functions related to public safety and economic revitalization.

Act 103 has been codified in the Hawai'i Revised States (HRS) as a new section §397-13 (**Boiler and elevator special fund; establishment; purposes.**), and amendments to §397-5 (**Fees.**) and 397-8 (**Violations and penalties**).

## **III. PROGRAM RESULTS**

The DLIR revised the Hawai'i Administrative Rules (HAR) and adopted new elevator rules, which included the 2010 American Society of Mechanical Engineers (ASME) Codes 17.1, 17.2 and 17.3 in June 2014. This was the first update to the elevator rules and adoption of newer codes since 2000—DLIR had previously failed to adopt three updated codes.

During 2015 and 2016 a revision of the Elevator and Related Systems HAR occurred, went into effect on September 14, 2016 and were signed by Gov. David Y. Ige on October 21, 2016. The Branch is currently in the process of promulgating a major revision to the boiler rules, which were last revised in 2012. The Branch is also planning to revise the elevator rules again in FY2017-18 with an effective date of January 1, 2019.

DLIR continues to work with the Hawai'i Information Consortium (HIC) to integrate a new information technology system into the operations of the Elevator Section for staff, permit and license holders, and the public to make operations more efficient and transparent. Improvements to the information system and expansion of the types of permits and other online tools available through multiple platforms (personal computer, mobile, tablets) include the availability of all installation and inspection requests online, the internal routing and tracking of requests by electronic means, the acceptance of online payments, the ability to search for equipment (elevators and related systems), view inspection histories, assign inspectors specific jobs, and a dashboard of critical information. These system

improvements are expected to start gradually being phased into operations during the year.

Act 103 also provided for ten additional positions including a branch manager, up to the equivalent of six full-time elevator inspectors, one boiler inspector and two office assistants. Act 103 increased the total number of inspectors in the Branch from eleven to eighteen (four boiler, fourteen elevator), including two supervisors. Twenty of the Branch's twenty-two positions were filled during the fall of 2017. The program performed 5,814 elevator inspections (of approximately 7,000 items) and performed or accepted 6,117 boiler inspections (7,552 inspections required) during fiscal year 2016-17.

**IV. Budget**

The department deposited \$100,000 into the general fund pursuant to Act 103 during the fiscal year, bringing the total to \$600,000 of the \$1,000,000 general fund loan paid back. DLIR has an administrative proposal to extend the loan period for consideration by the 2018 Legislature.

Fiscal Year 2016-2017

Beginning Balance		548,156
Revenues	Fees, Interest	1,924,217
Expenditures	Incl. Loan Repayment	(1,902,200)
Loan Repayment		(100,000)
Balance 6/30/16		570,173

